

PLUMAS EUREKA COMMUNITY SERVICES DISTRICT

RESOLUTION 96-10

RESOLUTION OF THE PLUMAS EUREKA COMMUNITY SERVICES DISTRICT, DECLARING THE INTENTION OF THE BOARD OF DIRECTORS TO ISSUE ITS LONG TERM OBLIGATIONS IN AN AMOUNT PRESENTLY ESTIMATED NOT TO EXCEED \$700,000. TO FINANCE THE ACQUIRING, CONSTRUCTING, INSTALLING AND EQUIPPING OF A LEACH FIELD FACILITIES AND RELATED IMPROVEMENTS TO BE OWNED BY THE PLUMAS EUREKA COMMUNITY SERVICES DISTRICT.

WHEREAS, the Plumas Eureka Community Services District (the "District") is a municipal corporation established and operating under the provisions of the Community Services District Law, Section 61000 of seq of the California Government Code (the "Act"); and

WHEREAS, the District is managed and controlled by a Board of Directors (the "Board") and has control of its own revenues and funds; and

WHEREAS, the District has the power to issue, from time to time, its long term obligations and other evidence of indebtedness payable from its revenue funds; and

WHEREAS, the Board intends to issue and sell one or more series of its long term obligations (the "Obligations") pursuant to the Act for the purpose of providing the financing for the acquiring, constructing, installing and equipping of a leach field facilities and related improvements, all to be located at Blairsden (the "Project"), which Project will be owned by the District; and

WHEREAS, in order to provide for the continued economic development and viability of the District, and necessary and desirable capital improvements, additions, betterments, replacements, renewal and construction of the leach field facilities, the Board wishes to declare its intention to authorize the issuance of one or more series of the Obligations of the Board for the purpose of providing all or a portion of the cost of acquiring, constructing, installing and equipping the Project upon such terms and conditions as may be determined by the Board; and

WHEREAS, no funds of the District are, or are reasonably expected to be, allocated, reserved or otherwise set aside in the District's budget on a long-term basis to pay the cost of the project; and

WHEREAS, the District expects to issue one or more series of the Obligations to finance the cost of the Project on a permanent basis; and

WHEREAS, the District expects to incur certain expenditures of a type which are properly chargeable to a capital account under general federal income tax principles in connection with the Project prior to issuing the Obligations; and

WHEREAS, the District reasonably expects to reimburse all or a portion of such capital expenditures with the Obligation proceeds; and

WHEREAS, the District expects that the maximum amount of the Obligations which will be used to reimburse such capital expenditures will be \$700,000; and

WHEREAS, after the issuance of the Obligations, the District will (1) evidence the reimbursement allocation with an entry in the books or records which it maintains with respect to the Obligations, (2) identify in such entry the actual prior expenditure being reimbursed or the fund from which the expenditure was paid and (3) treat the reimbursement allocation as an expenditure of proceeds of the Obligations for the Project.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE PLUMAS EUREKA COMMUNITY SERVICES DISTRICT AS FOLLOWS:

1. **Declaration of Intent.** That in accordance with Section 1.150.2 and 1.103-8T(a)(5) of the Treasury Regulations, the Board does hereby declare its intention to authorize the issuance of one or more series of its Obligations of the Board under and in accordance with the Act, in such amounts, but not to exceed \$700,000, and upon such terms and conditions as may be determined by the Board, for the purpose of providing all or a portion of the cost of funding in advance or reimbursing the District for the cost of acquiring, constructing, installing and equipping the Project to be located within Blairsden, the issuance of the Obligations to be authorized by a resolution of the Board at a meeting to be held for such purpose, and upon the approval of the District's legal counsel and delivery at the closing of such Obligations of an approving legal opinion of co-bond counsel.

All or a portion of Project capital expenditures are to be financed initially with moneys and District revenues that have not been, and are not reasonably expected to be, allocated to the Project or budgeted to be available for such capital expenditures on a long-term basis.

1. Declaration of Intent - continued

The Board presently intends and reasonably expects to participate in one or more tax-exempt borrowings, the proceeds of which will be allocated to capital expenditures for the Project, within 18 months after the date of the expenditure of moneys on the Project or the date upon which the Project is placed in service, whichever is later, but in no event later than 36 months after such expenditure date.

This Resolution is the first resolution of the Board or its predecessors concerning the reimbursement of all or a portion of the costs of the Project described in paragraph 1 hereof.

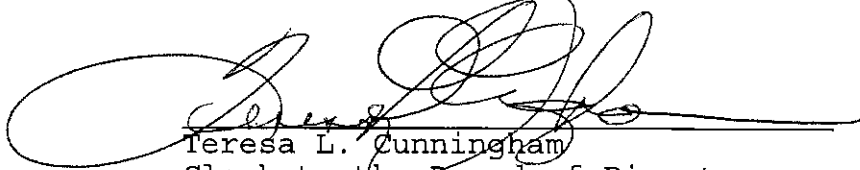
2. Repeal of Inconsistent Resolutions. All other resolutions of the Board, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

3. Effective Date of Resolution. This Resolution shall take effect from and after its passage and approval.

THIS RESOLUTION EXECUTED THIS 12 DAY OF June, 1996, by the following vote of the governing body.

	Aye	Nay	Absent
Rodney Lang	<u>X</u>	—	—
Mary Stonebraker	<u>X</u>	—	—
Al Richard	<u>X</u>	—	—
Norman Nichols	—	—	<u>X</u>
E. Gene Bunch	<u>X</u>	—	—

I hereby certify that the foregoing is a true and correct copy of Resolution #96-10, adopted by the Board of Directors at a Board meeting held on June 12, 1996.


Teresa L. Cunningham
Clerk to the Board of Directors